

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE MIAMI BEACH EMPLOYEES' RETIREMENT PLAN
OF THE CITY OF MIAMI BEACH
September 8, 2009

Secretary Fernandez called the meeting to order at 10:15 a.m.

Board Members present were as follows:

James Boyd	Jose Cruz	
Jorge Gomez	Warren Green	Reinaldo Horday
Richard McKinnon	Jonathan Sinkes	Patricia Walker

Members absent -	Hilda Fernandez
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Also present were:

Steve Cypen	Legal Counsel
David Farrand	Legal Counsel
Rick Rivera	Pension Administrator
Robert Martinez	Assistant Pension Administrator
Ron Caplan	Disability applicant
Richard Sicking	Attorney for disability applicant
Robert Friedman	Attorney, Holland & Knight
Ramiro Inguanzo	Director, Human Resources Department
Cliff Leonard	Risk Manager for the City

CONSENT AGENDA

The Administrator requested the addition of four requests for payments as described on the Addendum to the Consent Agenda.

A motion was made by Mr. Sinkes, duly seconded by Mr. McKinnon, and unanimously

RESOLVED That the addendum to the Consent Agenda be added as presented.

A motion was made by Mr. McKinnon, duly seconded by Mr. Gomez, and with all in favor except Mr. Green who abstained from voting, it was

RESOLVED That the addendum to the Consent Agenda be approved as presented.

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CONSENT AGENDA

C-1 The Minutes of the August 4, 2009 Board Meeting were approved as presented.

C-2 New Members were approved as follows - (None)

C-3 New Retiree Allowances were approved as follows - (None)

C-4 New Pensioner Allowances were approved as follows -

<u>Name</u>	<u>Date of Retirement</u>	<u>Continuation Type</u>	<u>Dependent Upon</u>	<u>Amount</u>
Mildred Lewis	08/01/2009	50% Ord.	Milton Lewis	\$1,414.78
Mildred Sahl	08/01/2009	50% Ord.	Philip Sahl	\$ 132.19

C-5 Requests for Lump Sum Refunds were approved as follows -

<u>Name</u>	<u>Separation Date</u>	<u>Amount</u>	<u>Reason</u>
Arnaldo Guillen	05/08/2009	\$55,474.21	Resignation
Christina Livingston	08/03/2009	\$50,668.74	Resignation

C-6 Request for Accumulated Contribution Refund for a Named Beneficiary was approved as follows - (None)

C-7 Purchases of Creditable Service Time were approved as follows-

<u>NAME</u>	<u>DATE</u>	<u>YEAR PURCHASED</u>	<u>HOURS USED</u>	<u>CASH USED</u>	<u>LEAVE AMOUNT</u>
Antonio Bernando	04/29/2009	0.52	87.24	\$ -	\$ 1,459.20
Fernando Hernandez	08/04/2009	0.97	0	\$ 4,093.60	\$ -
Narinder Singh	08/31/2009	0.48	79.58	\$ -	\$ 3,020.57
Noel Socorro	08/13/2009	0.50	85.27	\$ -	\$ 1,196.44
Marvin White	08/11/2009	0.51	106.75	\$ -	\$ 2,161.33
Imorin Telfort	09/01/2009	0.51	111.56	\$ -	\$ 2,289.81

C-8 Request for up to Two (2) years of additional creditable service were approved as follows -

<u>NAME</u>	<u>SWORN STATEMENT SIGNED & NOTARIZED</u>	<u>CMB APPLICATION/RESUME or additional back up</u>	<u>CREDITABLE SERVICE PURCHASED</u>
Tomas Armstrong	Yes	X	2.0
William Azzinaro	Yes	X	2.0
Aurelio Carmenates	Yes	X	2.0
Shawnnee L. Coney	Yes	X	2.0
Steven Greene	Yes	X	2.0
Arnita Hall	Yes	X	2.0
Donald Hornby	Yes	X	2.0
Telfort Inorin	Yes	X	2.0
Richard Lorber	Yes	X	2.0

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Francisco Mayor	Yes	X	2.0
Carlos Mazariegos	Yes	X	2.0
Jorge Pernas	Yes	X	2.0
Marvin White	Yes	X	1.10

C-9 DROP applicants were approved as follows - (None)

C-10 Lump Sum Refunds Paid since the last meeting
were approved as follows - (None)

C-11 The Financial Reports were approved as presented.

C-12 Requests for Payment were approved as presented.

Sep-09

Steve Cypen- Legal fees

Retainer for the month of September 2009	\$	4,500.00
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Joan Wall- Bookkeeping

Bookkeeping services for the month of Sept. 2009	\$	300.00
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Wellington Management- investment fees

For Qtr. Ending 6/30/09 Per Inv.# 244849	\$	38,197.16
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Citizens Property Insurance-

Wind Policy for 10/31/2009-10/31/2010	\$	210.00
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Office Depot- office supplies

Per inv.# 484589909001, 484821652001	\$	255.96
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CMB Central Services- Printing & Postage

Inv.#00013347,00013344 Serv. Oct. 2008 - June 2009	\$	12,782.12
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CMB Information Technology- Computer & Phone Use

For the month of August 2009 Inv.# 00013079	\$	2,517.36
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SBS Miami Lakes- Copier

monthly rental fees per inv.# 131620882	\$	228.56
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CMB Property Management- Office Maintenance

For the month of July 2009 Per Inv.# 00013194	\$	1,850.17
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IDD- Storage Fees

Per Inv. # 043553, 044120	\$	92.92
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FPPTA- Cong. & Edu.

Reg.ees for Oct. Trustees School-McKinnon	\$	400.00
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Hyatt Regency - Conf. & Edu.

Hotel reservation for Trustees School- McKinnon	\$	764.00
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Hyatt Regency - Conf. & Edu.

Hotel reservations for Trustees School - Green	\$	191.00
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FPPTA- Conf. & Edu.

Registration fees for Oct. Trustees School	\$	2,350.00
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Hyatt Regency- Conf. & Edu.

Hotel reservations for Oct. Trustees School	\$	2,483.00
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FPPTA- Conf. & Edu.

Registration fees for Oct. Trustees School-Green	\$	400.00
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Hyatt Regency- Conf. & Edu.

Hotel reservations for Oct. Trustees School-Green \$ 573.00

Wentworth, Hauser, & Violich- Investment Fees

Qtr. Ending 31/31/09 & 6/30/09 \$ 101,642.00

Travelers- Workers Compensation Policy

Period 6/25/09-6/25/2010 \$ 338.00

Advance Insurance - Crime Insurance

Per inv. # 248343 Period 5/1/2009-5/31/2010 \$ 1,194.83

Warren Green- Conf. & Edu.

Travel Exp. Reimbursement P&I Conf. San Francisco \$ 622.20

REGULAR AGENDA

The Administrator requested the addition of a New Item, audit engagement letter, from the Fund's external auditor Goldstein Schechter Koch for the external audit FYE 09/30/2009. He said that the fee of \$25,000 had not increased from last year's audit fee.

A motion was made by Mr. Sinkes, duly seconded by Mr. McKinnon, and unanimously

RESOLVED That the addendum to the Regular Agenda be added as presented.

R-1 Deferred Items

A. Merit consideration for Pension Administrator - The Administrator provided the Board with salary information for current unclassified employees as well as a salary survey from fellow administrators in nearby municipalities. A discussion ensued regarding a merit increase for the Administrator.

A motion was made by Mr. Gomez, duly seconded by Ms. Walker, and unanimously

RESOLVED That the Administrator be granted a 3.5% merit increase retroactive to May 1, 2009.

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R-2 New Items

- A. Email from Robert Friedman, Holland & Knight - Mr. Friedman gave a status update on the VCP submission to the IRS. Mr. Cypen said that he and Mr. Friedman would be submitting language to Ms. Saito, the IRS agent handling the VCP, regarding having the City Manager transfer authority to the pension Board specifically for the VCP Submission. Mr. Friedman said he was handling several VCP submissions with Mr. Cypen and that those being reviewed by Ms. Saito had been denied based on a question of authority of the Board versus the plan sponsor.
- B. Ronald Caplan informal Ordinary disability hearing - Mr. Sicking presented Mr. Caplan's non-service disability case. Mr. Cypen swore-in Ramiro Inguanzo, Director of Human Resources. Mr. Inguanzo went over the 2007/2008 fiscal year budgetary process in which Mr. Caplan's position was eliminated. Mr. Sicking informed the Board that the medical board had unanimously agreed to Mr. Caplan's disability being permanent. A discussion ensued regarding current City of Miami Beach job openings and whether or not Mr. Caplan qualified for any positions.

A motion was made by Mr. Green to grant Mr. Caplan a non-service connected disability pension. The motion died for lack of a second.

A motion was made by Mr. Cruz to deny Mr. Ronald Caplan a non-service connected disability on the basis that it is non-total and non-permanent, duly seconded by Mr. Gomez and with Mr. Cruz, Mr. Gomez, Ms. Walker, Mr. Sinkes, Mr. McKinnon and Mr. Boyd voting in favor and Mr. Green voting against, it was

RESOLVED that Mr. Ronald Caplan be denied a non-service connected disability on the basis that it is non-total and non-permanent.

- C. Trustee Election update for 9/30/2009 - The Administrator informed the Board that no one had signed up to run for Mr. McKinnon's seat that expired at the end of September except Mr. McKinnon who was seeking re-election. Mr. Cypen asked the Administrator whether Mr. McKinnon's current oath required that he be re-sworn.

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- D. Fiscal year 09/10 budget proposal - The Administrator reviewed the 2008/2009 budget versus the actual expenses projected through September 30, 2009. He said that the budget had been \$1,318,273 and actual expenses were \$1,329,029.81. He said that the 2009/2010 proposed budget is \$1,429,302. The Administrator said the proposed increase in the budget is mainly due to increased investment management expenses, increased office maintenance due to reconfigured total office square footage and one manager search fee. A discussion ensued.

A motion was made by Ms. Gomez, duly seconded by Ms. Walker, and unanimously

RESOLVED That the 2009/2010 proposed budget be approved as presented.

- E. Bank analysis charges - The Administrator provided the Board detailed account analysis information for the Fund's checking account. He said that he had discussed the bank charges with assistant finance director Georgie Echert and a SunTrust Bank representative. He said that the reason the Fund is being charged account analysis fees is due to a minimal average account balance. The Administrator explained that each month he wires just enough money to cover the monthly retiree payroll and administrative expenses and tries not to keep a significant balance in the account.
- F. Goldstein Schechter Koch (GSK) engagement letter - The Board reviewed the engagement letter from GSK for the external audit for the fiscal year ending September 30, 2009. He said that the fee proposal of \$25,000 did not increase from last year's audit. A discussion ensued.

A motion was made by Mr. Cruz, duly seconded by Ms. Walker, and unanimously

RESOLVED That the Chairman be authorized to execute the Engagement letter for external audit services from GSK for the fiscal year ended September 30, 2010 with a maximum fee of \$25,000.

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R-3 Other Business

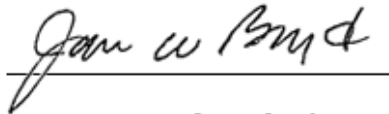
- A. Administrator's Report - There was no new information at this time.

R-4 For Your Information

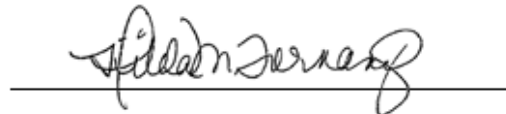
Chairman Boyd and Mr. Cypen reviewed For Your Information.

There being no further business to discuss, a motion was made by Mr. Green duly seconded by Mr. Horday and unanimously

RESOLVED That the meeting be adjourned. The meeting was adjourned at 12:25 p.m.

A handwritten signature in cursive script, appearing to read "James W. Boyd", written over a horizontal line.

James Boyd, Chairman

A handwritten signature in cursive script, appearing to read "Hilda Fernandez", written over a horizontal line.

Hilda Fernandez, Secretary